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ABSTRACT

Since the early 1970s, financial penalties have been levied in California school districts if their administrator-to-teacher ratio is in excess of a standard set by law. A study was conducted to determine whether the provisions of administrator-teacher maximum ratio are effective for calculating, monitoring, and reporting administrative costs. California's current law was found to be ineffective because (among other factors) it reflects unclear legislative intent and results in unintended consequences. Research shows the cost of implementing statutory provisions of the law to be around $250,000 annually. Research also shows that "input controls" imposed by the law measure only the quantity and not quality of what is controlled and could prove counterproductive. The best methodology for controlling school district administration would be to annually publish three alternative indicators that reflect administrator salaries, total cost of administration, and the number of administrators per 1,000 students. Rankings of alternative measurements of administration and details of recommendations to the California state legislature are included. (EJS)

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ED330036

ADMINISTRATOR-TEACHER RATIO STUDY

EXECUTIVE SUMMARY

November, 1990

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School Services of California INC.

EA 022 719

November 1, 1990

Mr. Michael Nussbaum
Office of the Legislative Analyst
925 L Street, Suite 650
Sacramento, CA 95814

Dear Michael:

SSC is pleased to submit our Executive Summary to the Administrator/Teacher Ratio study. The administrator-teacher maximum ratio was first implemented in the early 1970's, and this Report takes a fresh look at this provision of law.

Based upon the result of the research conducted for this study, including numerous interviews, statistical analyses and several surveys, it is our conclusion that the current provisions of law for the administrator-teacher ratio are ineffective and inappropriate and should be repealed. In lieu of the provisions of current law, our primary recommendation is that the State annually publish three alternative indicators of school district administration, and then require that school districts with unusually high levels of administration, as measured by these indicators, perform an extensive and visible process of local evaluation. This methodology will retain a strong focus on administrative expenses, while shifting the obligation for evaluation and correction to the local community where it belongs.

A secondary recommendation is for the State to establish a Efficiency Review Team to evaluate the appropriateness of the level of administration for districts with an unusually high level of administration. This alternative can be adopted either separately from the primary recommendation for local evaluation, or in conjunction with that recommendation. We believe that either of these recommendations will provide a more effective and less onerous control on school district administration than the provisions of current law.

It is also our conclusion that a State control formula -- such as the existing administrator-teacher maximum ratio which imposes penalties for districts with an excessive number of administrators -- has inherent weaknesses and negative side-effects that make it an inappropriate control method. However, if the Legislature determines that a control formula is necessary, the report includes recommendations for the implementation of such a control.

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In the development of this report, we have been assisted by numerous people in State government and school districts, education experts in several universities, and the chief state school officers in almost every other state. To all of these people, we wish to say thank you for giving generously of your time.

It has been our pleasure to work with you and the others in your office on this project.

Very truly yours,

PAUL M. GOLDFINGER
Vice President and Project Director

KENNETH F. HALL
President

KEITH J. CALDWELL
Research Analyst

EXECUTIVE SUMMARY

Since the early 1970's, financial penalties have been levied on California school districts if they have administrators in excess of nine for every 100 teachers in elementary districts, seven for every 100 teachers in high school districts and eight for every 100 teachers in unified districts.

The Legislature, in response to concerns regarding the appropriateness of the current statutory limitation, requested that a study be conducted to determine whether the provisions of administrator-teacher maximum ratio are the most effective means for calculating, monitoring and reporting administrative costs, or whether there are alternative means that will more effectively accomplish that purpose. Additionally, the Legislature required that, if the administrator-teacher maximum ratio is retained, the study must report on the definitions of the various categories of school employees that would provide the most accurate and consistent reporting, and which administration-teacher maximum ratios would be most appropriate. School Services of California, Inc. was awarded the contract for this study following a competitive bidding process.

School Services of California (hereinafter, the contractor), in response to the questions posed by the legislative study, submitted a comprehensive report to the Legislative Analyst reviewing current law and its strengths and weaknesses, detailing the numerous research activities undertaken for this study, developing criteria for designing a new control on school district administration, and delineating specific controls in its recommendations to the Legislature. The following is a synopsis of the findings and recommendations of that study.

*Finding 1. **Current law is ineffective, has unintended consequences, results in inappropriate measurements, and should be repealed.***

Current Law:

- Fails as an effective statutory control since some administrators are not covered by the formula, including administrators funded by federal revenues, classified administrators, certificated administrators serving in a position that does not require certification, administrators hired as consultants, administrators who are not employees on the CBEDS information day, and pupil services administrators. Furthermore, a number of non-supervisory personnel are counted as administrators. For example, a teacher who is working full-time on curriculum development or staff development and does not provide direct instruction to pupils is counted as an administrator, even though such a person does not have supervisory responsibility.

- Reflects an unclear intent from the Legislature. During the past 20 years, the Legislature has enacted new legislation expanding fiscal accountability and program accountability, encouraging increased leadership, adopting innovative restructuring, staff development and school reforms, but the Legislature still maintains a statutory control on the maximum allowable number of administrators. Legislation adopted as recently as August 1990 calls for "shifting from the current system of accountability which is based on rules, to a system of accountability based on performance" (ref. SB 1274, Chapter 1556/1990). But while the Legislature is interested in shifting to a performance-based educational system, it still controls inputs through the administrator-teacher maximum ratio.

- Uses a ratio of administrators to teachers but the number of teachers is not the most appropriate indicator of the need for administrators. While principals do supervise teachers, administrators also supervise classified employees, librarians, counselors, nurses, and in some cases, other administrators. Additionally, administrators have direct responsibility for students, interacting with parents, managing budgets, managing programs, completing mandated reports, as well as planning, leading, and providing direction for the district. All of these other responsibilities of administrators are not taken into consideration through the use of the ratio of administrators to teachers.

- Does not recognize California's diversity. California school districts vary enormously in district size, school size, program delivery, levels of teacher seniority and pupils needs, all of which have a direct impact on the need for the number of school district administrators. Current law mandates a single formula setting a maximum ratio of the number of administrators to teachers that varies only by the type of district -- elementary, high school and unified.

- Results in a series of unintended consequences. The administrator-teacher ratio imposes penalties primarily on very small districts. Throughout the entire 20-year history of administrator-teacher ratio, no large school has ever been penalized. Financial penalties have been levied a total of 51 times and the vast majority of these penalties have fallen on districts with under 2,500 pupils.

- Tends to discourage regional programs, district operated child development programs, and programs having full-time certificated staff serving in the areas of staff development, curriculum development, implementing educational technology, etc., since all of these activities can result in a district having a computed number of excessive administrators.

- Does not recognize the changing nature of school district administration. In recent years, the Legislature has provided funding for educational technology and supplemental grants and has generally supported the increased use of technology in the classroom. If a district, however, uses its supplemental grant monies to hire an administrator to direct an educational technology program but no additional teachers, the district is potentially penalized by the administrator-teacher ratio. Thus, the Legislature by its actions may discourage efforts to expand instructional technology.

For a statutory control on school district administration to be successful, it: (1) should be inclusive rather than exclusive; (2) should provide definitions which are clear and consistent; (3) should be based on data that is available for audit; (4) should take into account local variation in needs; and, (5) must be effective in meeting the Legislature's goal of controlling excessive levels of school district administration. On all of the criteria, the provisions of current law fail and, thus, current statutory controls should be repealed.

Finding 2. Research conducted for this study indicates that:

- Oklahoma is the only other state with a specific statutory limitation on school district administration. The formula in Oklahoma caps the percentage of a school district budget which may be spent on central office administration, and, according to the Oklahoma Superintendent of Schools, has not been effective. Four other states provide state funding for school district staff, including administrators, and allow local funds to be able to hire additional administrators. Four other states have statutory provisions requiring minimum staffing standards for administrators.

- An analysis of California data shows that: (1) the statewide average number of administrators per 100 teachers declined significantly from 1979 to 1989; (2) the statewide average percentage of school district general fund expenditures spent on administrator salaries declined slightly between 1980-81 and 1988-89; and (3) no statistically significant correlation was found between varying levels of school district administration and student performance as measured by California Assessment Program (CAP) scores.

- Data indicates that there is no strong correlation between districts with a high ratio of administrators to teachers -- or a high percentage of their budget expended on administrator salaries -- and districts with a low percentage of the budget spent on classroom personnel. These analyses serve to dispel the common assumption that having fewer administrators or spending less on administrators will automatically translate into

spending more in the classroom. While it is true that dollars saved from administrative reductions may be allocated to the classroom, they may also be spent on any of a number of other areas, such as instructional media, counseling, libraries, deferred maintenance or pupil transportation.

- Small districts exhibit a much wider variation in levels of administrators than large districts. No evidence was found that districts above a certain size consistently have a higher administrator/teacher ratio, a higher percentage of their budget spent on administrative salaries, or a lower percentage spent on classified personnel than the average district of middle and small size.

- Based on a sampling of school districts, it is estimated that the current cost of implementing the statutory provisions regarding the administrator-teacher maximum ratio is about $250,000 annually.

- An analysis of the request for waivers for the financial penalty for excess administrators filed with the State Board of Education indicated that all waivers that have been sought in the past three years have been approved. The major reasons for waiver requests were because the: (1) districts were small and/or had small schools; (2) the districts were implementing reform programs; and, (3) the districts were operating a high level of categorical programs.

- Interviews with 25 districts that were above or near the statutory administrator-teacher ratio limit in the prior three years indicated that the current maximum ratio has had only a very limited impact on school district administration. Several very small districts reassigned a portion of an administrator to either teaching or counseling, and, according to the superintendents in those districts, left the districts with an inadequate level of site administration. Interviews seemingly supported the thesis that districts can avoid being in a penalty situation by being more careful about excluding administrators funded with federal monies, administrators performing pupil service functions, etc.

Finding 3. "Input controls," such as that imposed by the current law administrator-teacher ratio, are likely to have unintended results. A statutory control on inputs necessarily measures only the quantity – and not the quality – of what is controlled and, as a result, could be counterproductive.

There are a number of issues related to the overall perspective that input controls measure only quantity. These issues are:

- Input controls on school district administration lump together all of the various facets of administration. For example, a central office "bureaucrat" who never sees either students or teachers is counted no differently than the site principal -- who, according to the literature search, is the key figure in effective schools.

- Input controls, by definition, create a dividing line between the one category that is limited and everything else -- a division between what is "good" and what is "bad." In the case of school district administration, this dividing line seemingly ignores the continuum of services -- from teaching to curriculum and staff development to site administration to central office administration -- all of which are necessary for educational success.

- Input controls invariably lead to actions to minimize the quantity of whatever is controlled, sometimes in very counterproductive or costly ways. For example, the current administrator/teacher maximum ratio could encourage the contracting out of administrative services -- even when that is not cost-effective -- and/or the hiring of more highly paid, but fewer administrators.

- Controls on school district administration heighten conflict between management and labor. Instead of management and labor working collaboratively on how to improve student performance, much time and energy is devoted to ascertaining whether or not the district has complied with the statutory limit.

One of the problems with an input control is that it is rarely the ultimate goal, but rather an attempt to achieve some other goal such as increased educational performance. And because the input control is not the ultimate goal, it could lead to bad results. Additionally, an input control on school district administration may not be the best way to the right result. For example:

- If the Legislature's goal is to improve student performance, then a statutory control should be based solely on measures of performance, not on inputs.

- If the Legislature's goal is to increase the amount spent in the classroom, then a statutory control should include all non-classroom expenditures, and not just administrative expenditures. Focusing only on the area of administration ignores the myriad other areas of non-classroom expenditures -- transportation, maintenance, insurance, retiree benefits, etc. -- that should also be reviewed to ensure that the dollars spent outside of the classroom are minimized.

- And, if the Legislature's goal is to reduce class size, then this issue would be more effectively addressed through changes in school funding -- such as the recent class size reduction efforts -- or through changes in the collective bargaining process (since class size is within the scope of collective bargaining).

  It is true that a statutory control on school district administration could require that any excessive amount spent on administration be redirected to the classroom or to class size reduction. However, if reduced class size or increased spending in the classroom is really the ultimate goal, then other controls targeted more directly to that goal would be far more effective.

- Finally, an input control does not recognize the varying needs for school district administration. The number of administrators is dependent upon a wide variety of factors such as the size of the district; the size of schools within a district; the isolation of schools; the needs of students with regard to programs for, as an example, English as a second language, dropout prevention, compulsory education, drug abuse counseling, gang violence and deterrence, etc.; the number and variety of categorical programs; the operation of year-round schools; the growth of the district and whether the district needs to design new schools; the number of new teachers who need close supervision and training; and, the operation of desegregation programs. It is difficult to effectively devise a single input control for a state as diverse as California.

Finding 4. Out of the three different methodologies to control administrative costs that were evaluated, two were rated as being far superior.

The three methodologies to control administrative costs that were initially evaluated are:

- A requirement that the state publish statistics showing the level of school district administration for each district, and that districts with unusual levels of administration evaluate their status (i.e., local evaluation);

- A state efficiency review team to analyze districts with unusual levels of district administration; and,

- A statutory control -- such as the current administrator-teacher maximum ratio -- that imposes penalties on a district that exceeds a specified level of school district administration.

Each of these three approaches have different implications, especially from the public's perspective. The common part of all of these approaches is that they are all initially based on the identification of districts with unique levels of administration, but there the similarity ends. The three methodologies for controlling administration have the following implications:

- The local-evaluation approach says, in effect, "This level of school district administration is unusual. The district needs to evaluate why it has this level of administration in light of the district's unique needs, and to determine whether this level is appropriate."

- Similarly, the state efficiency review team approach says, "This level of school district administration is unusual. The state efficiency review team shall assist the district in evaluating the appropriateness of this level in light of the district's unique needs, and shall make recommendations for consideration by the governing board."

- On the other hand, using a statutory limitation implies, "This level of school district administration -- being so unusually high -- is wrong. This district must make changes, unless it can convince the State Board of Education that there are legitimate reasons for this extreme level."

The contractor reviewed and ranked each of these methodologies against a matrix of five criteria. Table 1 summarizes the results of that evaluation. As noted in Table 1, the local evaluation was ranked the highest, with the state efficiency review team a close second. The statutory control formula was ranked much lower.

Finding 5. Out of eight measurements of the level of school district administration that were evaluated, three measurements stood out as being especially valuable as appropriate measurement characteristics: measurements of administrator salaries; total cost of administration; and, the number of administrators per 1,000 students.

Each of the eight initially proposed measurements were compared against six criteria for evaluation of measurement effectiveness. Table 2 summarizes the results of these criteria reviews.

Recognizing that different measurements serve different purposes, the contractor recommends all three of the most highly rated measurements:

- The percentage of a school district's general fund budget expended for administrator salaries, as reported in the J-200 Annual Financial Report;
- The percentage of a school district's general fund budget expended for administration, as reported in the J-380 Program Cost Report; and,
- The ratio of certificated administrators to number of students, as reported in the CBEDS report.

Any, or indeed all, of these three measurements of school district administration could be used with any of the methodologies for controlling school district administration discussed under Finding 4 above.

Summary

The contractor recommends, in lieu of the provisions of current law, that the state annually publish three alternative indicators of school district administration. These three measurements will reflect: administrator salaries; the total cost of administration; and, the number of administrators per 1,000 students. School districts that exceed particular ranges of indicators shall be required to perform an intense, visible local evaluation of the reasons for the high administrative level. This methodology will retain a strong focus on administrative expenses, while shifting the obligation for evaluation and correction to the local community where it belongs. (Specific procedures for implementing each of the contractor's recommendations appear in the Appendix.)

As a second ranked option, the contractor recommends that a state efficiency review team be implemented to annually review 20 to 40 districts that have unusually high (or low) measurements of administration, and to submit its findings to the local governing board for its review, publication and response.

The contractor does not recommend a specific state control formula. However, if the Legislature determines that a state formula driven control is necessary, the contractor recommends that the current "administrator-teacher ratio" be repealed and an alternative formula using any one of the three recommended measurements of school district administration be used. In lieu of the current financial penalty, it is recommended that a school district be required to change its behavior, or receive a waiver from the State Board of Education, if it does not meet the legislatively imposed control system.

TABLE 1

EVALUATION OF ALTERNATIVE METHODOLOGIES FOR CONTROLLING SCHOOL DISTRICT ADMINISTRATION -- NUMERICAL SUMMARY

	Effectiveness of Control	Flexibility	Cost	Unintended Consequences	Other Considerations	Total Numerical Score
Statutory Formula Control	2	2	4	1	1	10
Publication and Local Evaluation	4	5	3	3	5	20
State Efficiency Review Team	4	5	1	4	5	19

Rankings range from 1 (lowest or least desirable) to 5 (highest or most desirable)

TABLE 2

EVALUATION OF ALTERNATIVE MEASUREMENTS OF SCHOOL DISTRICT ADMINISTRATION -- NUMERICAL SUMMARY

		Effectiveness of Control	Ability to Manipulate	Clarity	Accessibility to Audit	Cost of Compliance	Flexibility	Total Numerical Score
1.	Percentage of Budget for Administrator Salaries	4	4	5	5	5	2	25
2.	Percentage of Budget for Total Administration Expenditures	4	4	4	5	5	2	24
3.	Administrator-Teacher Ratio	1	1	2	1	4	1	10
4.	Ratio of Certificated Administrators to Number of Students	4	4	4	3	4	2	21
5.	Ratio of Certificated Administrators to Certificated Non-administrators	3	4	4	3	4	2	20
6.	Ratio of Non-Site Administrators to Number of Students	1	1	1	1	3	2	9
7.	Ratio of All Administrators to All Staff	1	1	3	2	1	2	10
8.	Ratio of Certificated Staff Not Having Student Contact to all Certificated Staff	2	1	2	1	1	2	9

Rankings range from 1 (lowest or least desirable) to 5 (highest or most desirable)

RECOMMENDATIONS TO THE LEGISLATURE: THE DETAILS

Specifying the Methodology

Public and Local Evaluation

As its primary recommendation, the contractor recommends that the Publication and Local Evaluation control be implemented through the following steps:

- The first step is for the California Department of Education to calculate for each type and size of district the average and standard deviation of all three of the recommended measurements of school district administration (see below for a detailed description of these measurements). The California Department of Education shall then use this data to identify those school districts with values for one or more of these measurements that are in excess of the numerical standard chosen by the Legislature. It is also recommended that the statistics be published in an annual booklet so that all districts would be able to evaluate their status, even those that fall within the "allowable" range.

- The second step is for the California Department of Education to notify all districts that are above (or below) the allowable range on one or more of the measurements chosen. Each of those districts shall be required to evaluate its status in light of characteristics that are unique to the district and to report its findings to the local governing board and community. In order to minimize the cost of this approach, such a report could simply be made available to the public and the media and need not be mailed to all parents or otherwise published at district expense. The district shall accept written comments on its report and also make those comments available to the public.

- Following the issuance of this report and any written comments regarding the report, each identified district shall be required to discuss at a public board meeting its level of school district administration and whether or not that level is appropriate in light of the characteristics that are unique to the district. Input and testimony from the community, including members of the district's bargaining units, shall be allowed at the board meeting. There shall be no requirement that the district take specific action to reduce an unusually high level of school district administration (or to increase an unusually low level of school district administration).

- Finally, the district superintendent shall report to the county superintendent on the district's actions and also certify that the district has taken all of the above steps.

State Efficiency Review Team

The contractor recommends as a second-ranked option that a State Efficiency Review Team be implemented through the following steps:

- A State efficiency review team consisting of three or four school management, curriculum and instructional experts shall be established by the California Department of Education. If desired, personnel from the State Department of Finance, Controller's Office and/or Auditor General's office could be included as review team members.

- The Legislature shall make a specific appropriation for the purpose of funding the efforts of this team. It is estimated that this team would not require full-time effort and could function effectively on an annual budget of $250,000-$400,000 for salaries, benefits, travel expenses and support.

- This review team would visit 20 to 40 school districts annually that have been identified as having unusually high (or low) levels of school district administration based on one or more of the recommended measurements. In the initial years of operation of the review team, the districts chosen shall be selected from those districts that have levels of school district administration that fall outside the "reasonable" range. Once the review team had, over a period of years, visited all of the districts that have levels of administration outside the "reasonable" range, the review team could investigate districts that fall just inside the reasonable range and/or re-review districts it had previously visited.

- The review team shall work in conjunction with district staff to evaluate the appropriateness of the district's level of administration, taking into account characteristics unique to each district.

- The review team shall report its findings in writing to the school district, and the district shall be required to make that report public, along with the district's response and any written comments that are submitted regarding either the review team's report or the district's response. The district shall then discuss those findings at a public board meeting. Testimony from the community, including members of the district's bargaining units, shall be allowed at the board meeting. The school district would, however, be allowed to accept or reject the recommendations of the review team.

- The district superintendent shall report the district's actions to the county superintendent and certify that all of the above steps have been taken.

State Control Formula

The contractor does not recommend a specific state control formula. However, if the Legislature determines that a state formula driven control is necessary, the contractor recommends that the current "administrator-teacher ratio" be repealed and an alternative formula as discussed below be considered, based on one of the three recommended measurements of school district administration. The contractor includes the following three measurements since different measurements address different issues:

- If the Legislature wishes to address the issue of salaries for administrators, then the formula should be based on administrator salaries as a percentage of a school district's general fund budget. (See measurement "1" described below.)

- Or, if the Legislature wishes to address the issue of the total amount spent on school district administration, then the formula should be based on the percentage of a district's budget spent on total administration (using J-380 program cost data). (See measurement "2" described below.)

- Or, if the Legislature wishes to control the number of school district administrators, then the formula should be based on the ratio of certificated administrators to students. (See measurement "3" described below.)

Current statutory law imposes a financial penalty -- essentially a fine -- on a school district that has an excessive number of administrators. As an alternative, it is recommended that a school district be required to change its behavior so as to avoid being in a penalty situation in the future -- or receive a waiver from the State Board of Education. That is, when a district is found to have an excessive level of school district administration, it should be required to make the changes necessary to ensure that its level of school district administration falls within the statutory standard within the next one or perhaps two school years. Compliance, not punishment, should be the goal of the state formula control. Such a requirement would then free up the "excessive" amount spent on administration for classroom instruction and other vital services.

If the district fails to comply with the statutory standard within the time frame allowed, the county superintendent shall be required to disapprove the school district's budget and, the procedures and steps as required under Education Code Sections 42127 et seq. -- relating to budget approval processes, independent review teams and review by the Superintendent of Public Instruction -- shall take effect.

Penalty Waivers

In order that a statutory formula not inappropriately penalize districts with unusual characteristics, it is highly recommended that any formula-based statutory control continue to allow waivers of any penalties by the State Board of Education. Since there are a large number of legitimate reasons why a school district may have an unusually high level of school district administration, it is appropriate that the State Board of Education be allowed to use its own discretion in approving waivers. The contractor also recommends that the State Board of Education consider granting "performance based" waivers for districts that currently have levels of student

performance (as defined by the State Board of Education) which are beyond the expectancy level of the district.

Identifying Districts With Unusual Levels of Administration

Common to all three approaches for a statutory control is the identification of districts with unusually high (or low) levels of school district administration. This identification requires the choosing of a measurement of school district administration (e.g., percentage of budget spent on administrators' salaries) and the setting of a numerical limitation.

The contractor recommends the use of the following three measurements:

1. **Percentage of a school district's total budget expended for administrator salaries.**

   This measurement is equal to a district's general fund actual expenditures in the prior fiscal year for school administrator salaries, supervisor salaries, superintendent salaries, administrative personnel salaries, and, classified administrator salaries, divided by the total district expenditures plus "transfers out" and "other uses" expenditures (using the J-201 Annual Financial Report). This calculation will reflect the total salaries expended for certificated and classified administrative personnel in a California school district as a percentage of total district expenditures.

2. **The percentage of a school district's total expenditures expended for all administration.**

   Total the district's direct expenditures for the prior fiscal year for instructional administration, school administration, special projects administration and district administration and calculate this total as a percentage of the total general fund expense including other outgo, using the Annual Program Cost Data Report (J-380) data.

3. **The number of certificated administrators per 1,000 pupils.**

   In determining the total number of certificated administrators, include all personnel who hold administrative positions that require certification. Calculate the number of administrators based on the full-time equivalent (FTE) count. Include persons who hold certificated administrative positions even though that position may have been reclassified by the district governing board as not requiring certification requirements (e.g., the district superintendent). Do not include certificated administrators who hold positions that typically do not require certification such as the chief fiscal officer, namely certificated administrators who hold positions in the areas of finance/business, public relations/information, food services, data processing, transportation and government relations/legal services. Divide that total number of certificated administrators by the sum of the district's K-12 CBEDS enrollment plus the sum of the following average daily attendance (in lieu of the enrollment) in the following programs: (1) the district's annual ADA in adult education and regional occupational centers and programs (ROC/Ps); and,

(2) an ADA equivalent for apprentice and summer school hours, using 525 hours per ADA for apprentice programs and 700 hours per ADA for summer school programs. Express the result as the number of certificated administrators per 1,000 pupils.

In addition to specifying the measurement of school district administration, it is important to set an appropriate numerical limitation. Specifying the numerical limitation is critical, because such a limitation becomes the dividing line between a level of school district administration that is acceptable and a level that is "unusual" or "excessive." If the numerical value is too low, then many districts with legitimate needs for a high level of administration will be identified as being outside the "acceptable" range. And, if the numerical value is too high, then some districts that do have excessive administration will fall within the allowable range and will escape identification.

The contractor recommends that different standards be used for elementary, high school and unified districts. Additionally, given the considerable differences based upon the size of districts, the contractor also recommends that districts be grouped according to the following three size categories: 500 or fewer pupils, 501-2,500 pupils and more than 2,501 pupils.

It is further recommended that the Legislature establish a numerical limitation based on statistics drawn from actual current practice by California school districts. In this regard, the contractor recommends that the numerical cutoff be based upon the statistical average for each type and size of district plus (or minus) some number of standards deviations (where a standard deviation is a statistical measurement of the dispersion or spread of values away from the average).

Table III summarizes data showing the number of districts that would be identified if the numerical cutoff is set at different numbers of standard deviations above the average (e.g., 1.0, 1.5, 2.0 and 2.5 standard deviations). By setting a high or low numerical cutoff, the Legislature could decide whether it wanted to identify a large number of districts, or only a few districts as having an "unusual" level of administration.

As discussed earlier, there is a fundamental difference between a numerical standard used to identify a district that has an unusually high (or low) characteristics for further review, and a numerical standard that is used to identify districts that shall be subject to a penalty. Thus, it is highly recommended that the numerical limitation for a formula-based control (if implemented by the Legislature) be set higher than for the local evaluation and State efficiency review team controls.

TABLE 3

NUMBER OF DISTRICTS WITH LEVELS OF ADMINISTRATION AT VARYING DISTANCES FROM THE AVERAGE

1988-89 Data For All Districts

Part A. Number of Districts with High Levels of Administration

	Measurement #1 Percentage of Budget Spent on Administrator's Salaries	Measurement #2 Percentage of Budget Spent on All Administration	Measurement #3 Number of Certificated Administrators per 1000 Students	Number of Districts Identified By One or More Measurement
# of Districts Above Average Plus 1.0 Standard Deviation	134	142	111	277
# of Districts Above Average Plus 1.5 Standard Deviations	63	74	55	154
# of Districts Above Average Plus 2.0 Standard Deviations	22	35	19	68
# of Districts Above Average Plus 2.5 Standard Deviations	9	19	11	35

Part B. Number of Districts with Low Levels of Administration

	Measurement #1 Percentage of Budget Spent on Administrators' Salaries	Measurement #2 Percentage of Budget Spent on All Administration	Measurement #3 Number of Certificated Administrators per 1000 Students
# of Districts Below Average Minus 10.0 Standard Deviation	143	138	76
# of Districts Below Average Minus 1.5 Standard Deviations	55	50	26
# of Districts Below Average Minus 2.0 Standard Deviations	14	15	16
# of Districts Below Average Minus 2.5 Standard Deviations	2	4	7

School Services of California INC